

I was personally touched by Chief Justice Rehnquist's determination and heroic passion to serve while battling cancer. As we often hear, we are a government of law and not men and women, and that is true. But our constitutional principles are not self-enforcing. We depend on men and women of good hearts and sharp minds to steer us through difficult moments when the issues of the day collide with our Constitution of over 200 years of age.

He was to the end a midwesterner: strong, reliable and devoted to the idea of leaving things better than he found them. The whole Nation, and future generations of Americans should be deeply grateful for the legacy he has left.

#### SMALL BUSINESS CONTRACTING PROVISIONS IN H.R. 3673

Ms. SNOWE. Mr. President, as chair of the Senate Committee on Small Business and Entrepreneurship, I rise today to bring to the attention of the Senate a proposal which was included in the hurricane supplemental bill at the request of the Office of Management and Budget and the Department of Defense. I wholeheartedly supported the supplemental bill and the funding it would provide to the individuals, families, and small businesses that experienced so much suffering in this terrible tragedy. Their plight should not be prolonged by delays in delivery of much-needed assistance funding. However, I believe that this particular provision would seriously harm small businesses in the Gulf Coast region and all across America—by excluding them from Government contracts and subcontracts for the relief and rescue projects. While I appreciate the need to get supplies and services quickly in order to save lives, the provision at issue is not tailored to lifesaving, and we need to exercise caution in working around laws aimed at helping small business, in the rush to pass emergency appropriations.

The OMB's proposal extends to hurricane relief and rescue operations that the emergency procurement authority previously approved by Congress for military contingency operations in cases of attack by the weapons of mass destruction, war, or national emergency. Most importantly, the proposal raises the so-called "micro-purchase threshold" to \$250,000. These measures would abolish Small Business Act set-asides for U.S. small businesses and the Buy American Act preferences for U.S. manufacturers on all rescue and relief contracts for years to come, potentially undermine the Stafford Act preference for local business, individuals, and organizations in contracts for recovery from major disasters contained in the Stafford Act, and encourage waste, fraud, and abuse in Federal contracts and in the reconstruction efforts by drastically increasing the ability of low-level Government officials to make credit card charges.

The micro-purchase threshold was created in the 1990s to enable Government officials to quickly make limited purchases with Government credit cards and without regards to competition, small business, or other preference requirements. Congress strictly limited the current micro-purchase threshold amounts to \$2,500 for all acquisitions, except to \$2,000 for certain construction projects and to \$15,000 for U.S.-based military contingency operations and WMD response and recovery efforts.

This increase in the micro-purchase threshold was carefully adopted by Congress just 2 years ago, in November 2003, in response to the 9/11 and the global war on terror. The 2003 increase was implemented subject to strict limitations to ensure that contracting accountability and small business requirements are not supplanted—limitations which are absent from the language in this bill.

The OMB plan in this bill increases the micro-purchase threshold to \$250,000, a hundredfold increase. Without appropriate protections, such a massive increase distorts Congressional intent for the micro-purchases and opens doors to greater credit card contracting abuse. Government purchase card abuse has been the subject of investigative and legislative actions by the Senate Homeland Security and Governmental Affairs Committee and by the Senate Finance Committee. Indeed, the leadership of these Committees, including Chairmen GRASSLEY and COLLINS as well as ranking member LIEBERMAN, already made known their opposition to the OMB proposal. The Government Accountability Office estimates that the Federal Government could have saved \$300 million a year by imposing greater accountability on the use of Government purchase cards. These losses stand to balloon along with the huge increases in credit card spending called for in this proposal. A massive expansion of the micro-purchase threshold could overwhelm the fragile accountability mechanisms for this program.

Most importantly, in addition to the high potential for waste and abuse, raising the micro-purchase threshold from its current levels to \$250,000 obliterates small business contracting set-asides for contracts that by law and by tradition have been going to small firms. The statutory "small business reserve" in the Small Business Act sets aside for small business concerns all Federal contracts in the amounts below \$100,000 and above the micro-purchase threshold, typically, \$2,500. Contracts at \$100,000 or less are uniquely suitable for performance by small firms. Excluding them now makes no sense.

Further, the DoD/OMB proposal for extension of the emergency procurement authority to Hurricane Katrina improperly expands the scope of this authority to future "relief" contracts and to contracts with only distant rel-

evance to Hurricane Katrina. As I already mentioned, the emergency procurement authority established a micro-purchase threshold increase to \$15,000, provided the purchases are "directly related" to military contingency operations or WMD recovery. Extension of this authority would take contracts ranging from \$15,000 to \$2,500 out of the statutory "small business reserve" under the Small Business Act. In addition, this authority would also allow large firms to exclude small businesses from subcontracts by treating all Katrina-related contracts as purchases of commercial items. Taking work away from small businesses as part of disaster relief is not the message we want to send.

Federal small business contracts are a vital source of business and jobs creation for small firms. Prior to Katrina, small business in disaster-affected States used to receive a significant boost from Federal contracts. Retaining, renewing, and enhancing these small business contracts will be critical for successful reconstruction of the Gulf Coast region. For example, in Fiscal Year 2003, Alabama small businesses received \$2.05 billion in Federal contracts, including \$191 million in construction contracts. Small businesses in the State of Mississippi received \$419 million in Federal contracts, with over a quarter of that amount, \$134 million, in construction contracts. Finally, Louisiana received \$712 million in small business contracts, including \$242 million in construction. Small business men and women in these States have the experience and the wherewithal to join hands in the relief and reconstruction of their communities. What they need is a chance to work and rebuild their businesses.

We have an obligation to help the small business sector of the Gulf Coast. I am very concerned about the import of the OMB contracting provision, and I will work to ensure that this provision is limited and modified in future legislation to ensure that it provides the right balance between speed and fairness in Government contracts.

#### HURRICANE KATRINA

Mr. PRYOR. Mr. President, I join my Senate colleagues in voicing my unwavering support to help Gulf Coast residents recover and rebuild their communities in the aftermath of Hurricane Katrina. The \$60.5 billion in funding we have passed is a start toward restoring basic infrastructure and the economy, but we have a long way to go. This recovery will require much more of our time, resources and a comprehensive plan; I stand ready to work with my colleagues to do just that.

In the last 2 weeks, I have witnessed many good and bad things involving Hurricane Katrina. The generosity and compassion shown by families all over the Nation have redefined the meaning of good neighbor. In Arkansas, I have